

House Bill 261 (AS PASSED HOUSE AND SENATE)

By: Representatives Stephens of the 164<sup>th</sup>, Dickson of the 6<sup>th</sup>, Hill of the 180<sup>th</sup>, Barnard of the 166<sup>th</sup>, Neal of the 1<sup>st</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

To amend Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the imposition, rate, and computation of income tax, so as to provide for an income tax credit for a limited period of time for the purchase of one eligible single-family residence; to provide for conditions and limitations; to provide for powers, duties, and authority of the state revenue commissioner with respect to the foregoing; to provide an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the imposition, rate, and computation of income tax, is amended by adding a new Code section to read as follows:

"48-7-29.17.

(a) As used in this Code section, the term 'eligible single-family residence' means:

(1) A single-family structure, including a condominium unit as defined in Code Section 44-3-71 that is occupied for residential purposes by a single family, that is a new residence, a residence occupied at the time of sale, or a previously occupied residence that was for sale prior to the effective date of this Code section and is still for sale after the effective date of this Code section; or

(2) A single-family structure, including a condominium unit as defined in Code Section 44-3-71 that is occupied for residential purposes by a single family, that is:

(A) An owner occupied residence with respect to which the owner's acquisition indebtedness, as defined in Section 163(h)(3)(B) of the Internal Revenue Code, determined without regard to clause (ii) thereof, was in default on or before March 1, 2009; or

(B) A residence with respect to which a foreclosure event has taken place and which is owned by the mortgagor or the mortgagor's agent.

(b) A taxpayer shall be allowed a credit against the tax imposed by Code Section 48-7-20 for the purchase of one eligible single-family residence made during the six-month period commencing on the first day of the month following the effective date of this Code section and ending on the last day of the sixth complete month thereafter. The amount of such credit shall be either 1.2 percent of the purchase price of such eligible single-family residence or \$1,800.00, whichever is less.

(c) The amount of the tax credit under subsection (b) of this Code section which may be claimed and allowed in a single tax year shall not exceed the taxpayer's income tax liability or one-third of the total amount of the credit allowed under subsection (b) of this Code section, whichever is less. Any excess or unused tax credit amount shall be carried forward to apply to the taxpayer's succeeding years' tax liability. No such tax credit shall be allowed the taxpayer against prior years' tax liability.

(d)(1) A taxpayer shall submit to the commissioner a bona fide listing agreement with a real estate agent or broker licensed in this state, documentation that the eligible single-family residence was for sale directly by the owner without a real estate agent or broker, or other appropriate documentation deemed sufficient by the commissioner to validate the eligibility of the single-family residence for purposes of the tax credit under this Code section.

(2) In the event the taxpayer files an electronic return, the documentation required under paragraph (1) of this subsection shall only be required to be electronically attached to the return if the Internal Revenue Service allows such attachments when the data is transmitted to the department. In the event the taxpayer files an electronic return and such documentation is not attached because the Internal Revenue Service does not, at the time of such electronic filing, allow electronic attachments to the Georgia return, such documentation shall be maintained by the taxpayer and made available upon request of the commissioner.

(e) The commissioner shall be authorized to promulgate any rules and regulations necessary to implement and administer this Code section."

## **SECTION 2.**

This Act shall become effective upon its approval by the Governor or upon its becoming law without such approval.

## **SECTION 3.**

All laws and parts of laws in conflict with this Act are repealed.